

## Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 PM-07 NSC-10 SPC-03 SS-20 RSC-01

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 USIA-15 PRS-01

SCEM-02 EB-11 AID-20 COME-00 INT-08 OMB-01 TRSE-00

DRC-01 /135 W

----- 112660

R 152348Z OCT 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 8454

INFO AMCONSUL CIUDAD JUAREZ UNN

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MATAMOROS UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

AMCONSUL NUEVO LAREDO UNN

AMCONSUL TIJUANA UNN

UNCLAS MEXICO 7783

E.O. 11652: N/A

TAGS: ENRG; EGEN: MX

SUBJ: RAISE IN ELECTRICITY RATES ANNOUNCED BY FEDERAL ELECTRICITY  
COMMISSION

1. IN PRESS CONFERENCE GIVEN YESTERDAY DIRECTOR GENERAL OF  
THE FEDERAL ELECTRICITY COMMISSION FARELL ANNOUNCED THAT NEW  
RATE STRUCTURE WILL GO INTO EFFECT OCTOBER 16. NEW STRUCTURE  
DESIGNED TO INCREASE ANNUAL REVENUES BY 2,400 MILLION PESOS  
(US\$192 MILLION) ANNUALLY IN ORDER TO SUSTAIN INVESTMENT PROGRAM  
WHICH NOW ALMOST WHOLLY DEPENDENT ON BORROWING, PARTICULARLY  
FROM WORLD BANK.

2. ACCORDING TO PRESS ACCOUNT, NEW RESIDENTIAL RATES DESIGNED  
TO CUSHION EFFECT ON LOWINCOME GROUPS, WITH THOSE IN MEDIUM  
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AND HIGH USER BRACKETS PAYING FROM TEN TO 125 PERCENT MORE.

AS EXAMPLES, FARELL SAID THAT THOSE PAYING 100 PESOS (US\$8) MONTHLY WILL NOW PAY 125 PESOS AND THOSE PAYING 2,000 PESOS MONTHLY WILL BE CHARGED 4,500 PESOS.

3. WITH RESPECT TO INDUSTRY, RATE INCREASE WILL RANGE FROM 15 TO 30 PERCENT FOR USERS OF HIGH-TENSION LINES. OVER HALF OF INDUSTRIAL AND COMMERCIAL USERS OF LOW-TENSION LINES WILL PAY NO INCREASE BUT RATES ON OTHER WILL RISE ON A SLIDING SCALE UP TO MAXIMUM OF 30 PERCENT. THERE WILL BE NO INCREASE FOR AGRICULTURE, MINING, PUMPING OF DRINKING WATER AND SEWAGE, AND PUBLIC LIGHTING. DETAILS OF NEW RATE SCALE WILL BE REPORTED WHEN AVAILABLE.

COMMENT: RATE INCREASES HAVE BEEN EXPECTED FOR SOME TIME. ALTHOUGH FARELL MINIMIZED INFLATIONARY EFFECT, CLAIMING THAT ELECTRIC POWER ACCOUNTS FOR ONLY TWO PERCENT OF INDUSTRIAL COSTS, CONCANIN PRESIDENT YARZA FORESAW NEED FOR PRICE INCREASE ESPECIALLY IN HEAVY-USER INDUSTRIES SUCH AS ALUMINUM, TEXTILES, AND STEEL. HOWEVER, HE RECOGNIZED NEED FOR INCREASE.  
MCBRIDE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTRIC POWER, RETAIL PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Previous Classification:** n/a  
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**Previous Handling Restrictions:** n/a  
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**TAGS:** ENRG, EGEN, MX  
**To:** STATE  
**Type:** TE  
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